

**QUARTERLY STATEMENT
OF THE
AMERIGROUP Tennessee, Inc.**

**of
Nashville
in the state of
Tennessee**

**TO THE
Insurance Department
OF THE STATE OF
Tennessee**

**FOR THE QUARTER ENDED
March 31, 2008**

2008



QUARTERLY STATEMENT
AS OF March 31, 2008
OF THE CONDITION AND AFFAIRS OF THE
AMERIGROUP Tennessee, Inc.

NAIC Group Code 1156 (Current Period) 1156 (Prior Period) NAIC Company Code 12941 Employer's ID Number 20-4776597

Organized under the Laws of Tennessee State of Domicile or Port of Entry Tennessee

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health[] Dental Service Corporation[] Other[] Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[X] N/A[] Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]

Incorporated/Organized 04/26/2006 Commenced Business 04/01/2007

Statutory Home Office 22 Century Boulevard, Ste 310 (Street and Number) Nashville, TN 37214 (City, or Town, State and Zip Code)

Main Administrative Office 4425 Corporation Lane (Street and Number) Virginia Beach, VA (City or Town, State and Zip Code) (757)473-2721 (Area Code) (Telephone Number)

Mail Address 4425 Corporation Lane (Street and Number or P.O. Box) Virginia Beach, VA 23462 (City, or Town, State and Zip Code)

Primary Location of Books and Records 4425 Corporation Lane (Street and Number) Virginia Beach, VA 23462 (City, or Town, State and Zip Code) (757)473-2721 (Area Code) (Telephone Number)

Internet Website Address www.amerigroupcorp.com

Statutory Statement Contact Margaret Mary Roomsburg (Name) (757)473-2721 (Area Code)(Telephone Number)(Extension) mroomsb@amerigroupcorp.com (E-Mail Address) (757)557-6742 (Fax Number)

OFFICERS

Name	Title
Charles Brian Shipp	CEO/President
Alvin Brock King	Health Plan CEO/Vice President #
Lorena Jean Stanley	COO/Vice President
Stanley Forrest Baldwin	Secretary/Vice President
Nicholas Joseph Pace, II	Asst Secretary/ Vice President
Richard Charles Zoretic	Asst Secretary/Vice President
Scott Wayne Anglin	Treasurer/Vice President
James Ward Truess	Asst Treasurer/Vice President
Karen Lint Shields	Asst Treasurer/Vice President
Carol Ann Churchill, M.D.	Medical Director/Vice President

OTHERS

Lori-Don McNamee Gregory, Asst Secretary
Margaret Mary Roomsburg, Vice President
Catherine Smith Callahan, Vice President
William Gardner Wood, M.D., Vice President

DIRECTORS OR TRUSTEES

Charles Brian Shipp #
Nicholas Joseph Pace, II
Alvin Brock King #
James Hui Teck Tan, M.D.

State of Virginia
County of Virginia Beach ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Charles Brian Shipp (Signature) Charles Brian Shipp (Printed Name) 1. President/CEO (Title)

Stanley Forrest Baldwin (Signature) Stanley Forrest Baldwin (Printed Name) 2. Vice President/Secretary (Title)

Margaret Mary Roomsburg (Signature) Margaret Mary Roomsburg (Printed Name) 3. Vice President (Title)

Subscribed and sworn to before me this 7th day of April, 2008
NANCY M. NEWSOM
NOTARY PUBLIC
DAVIDSON COUNTY, TENN.
My Commission Expires JAN. 23, 2010

a. Is this an original filing? Yes[X] No[]
b. If no, 1. State the amendment number
2. Date filed
3. Number of pages attached

NANCY M. NEWSOM
NOTARY PUBLIC
Commonwealth of Virginia
My Commission Expires
April 30, 2009

#191631

ASSETS

		Current Statement Date			4 December 31, Prior Year Net Admitted Assets
		1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1.	Bonds	26,091,588		26,091,588	24,095,124
2.	Stocks:				
2.1	Preferred stocks				
2.2	Common stocks				
3.	Mortgage loans on real estate:				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate:				
4.1	Properties occupied by the company (less \$.....0 encumbrances)				
4.2	Properties held for the production of income (less \$.....0 encumbrances)				
4.3	Properties held for sale (less \$.....0 encumbrances)				
5.	Cash (\$.....13,603,159), cash equivalents (\$.....0) and short-term investments (\$.....47,446,296)	61,049,455		61,049,455	70,813,926
6.	Contract loans (including \$.....0 premium notes)				
7.	Other invested assets				
8.	Receivables for securities				
9.	Aggregate write-ins for invested assets				
10.	Subtotals, cash and invested assets (Lines 1 to 9)	87,141,043		87,141,043	94,909,050
11.	Title plants less \$.....0 charged off (for Title insurers only)				
12.	Investment income due and accrued	581,403		581,403	647,933
13.	Premiums and considerations:				
13.1	Uncollected premiums and agents' balances in the course of collection	12,661,337		12,661,337	8,578,766
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)				
13.3	Accrued retrospective premiums				
14.	Reinsurance:				
14.1	Amounts recoverable from reinsurers	29,407		29,407	
14.2	Funds held by or deposited with reinsured companies				
14.3	Other amounts receivable under reinsurance contracts				
15.	Amounts receivable relating to uninsured plans	51,947		51,947	
16.1	Current federal and foreign income tax recoverable and interest thereon				
16.2	Net deferred tax asset				
17.	Guaranty funds receivable or on deposit				
18.	Electronic data processing equipment and software	2,359,546	1,656,582	702,964	628,972
19.	Furniture and equipment, including health care delivery assets (\$.....0)	2,248,613	2,248,613		
20.	Net adjustments in assets and liabilities due to foreign exchange rates				
21.	Receivables from parent, subsidiaries and affiliates				
22.	Health care (\$.....2,583,375) and other amounts receivable	4,192,638	1,609,263	2,583,375	2,838,088
23.	Aggregate write-ins for other than invested assets	10,023,992	10,023,992		
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	119,289,926	15,538,450	103,751,476	107,602,809
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26.	Total (Lines 24 and 25)	119,289,926	15,538,450	103,751,476	107,602,809
DETAILS OF WRITE-INS					
0901.	.....			
0902.	.....			
0903.	.....			
0998.	Summary of remaining write-ins for Line 9 from overflow page				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301.	Prepaid Expenses - Short-term	56,578	56,578		
2302.	Goodwill and Intangibles	9,967,414	9,967,414		
2303.	.....			
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	10,023,992	10,023,992		

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded)	74,247,299		74,247,299	72,252,049
2.	Accrued medical incentive pool and bonus amounts				
3.	Unpaid claims adjustment expenses	1,776,319		1,776,319	1,857,512
4.	Aggregate health policy reserves				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserve				
7.	Aggregate health claim reserves				
8.	Premiums received in advance				
9.	General expenses due or accrued	372,594		372,594	225,254
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15.	Amounts due to parent, subsidiaries and affiliates	3,365,416		3,365,416	5,830,783
16.	Payable for securities				
17.	Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers)				
18.	Reinsurance in unauthorized companies				
19.	Net adjustments in assets and liabilities due to foreign exchange rates				
20.	Liability for amounts held under uninsured plans				
21.	Aggregate write-ins for other liabilities (including \$.....0 current)	4,075,916		4,075,916	3,376,097
22.	Total liabilities (Lines 1 to 21)	83,837,544		83,837,544	83,541,695
23.	Aggregate write-ins for special surplus funds	X X X	X X X		
24.	Common capital stock	X X X	X X X	1,000	1,000
25.	Preferred capital stock	X X X	X X X		
26.	Gross paid in and contributed surplus	X X X	X X X	88,882,679	66,613,358
27.	Surplus notes	X X X	X X X		
28.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
29.	Unassigned funds (surplus)	X X X	X X X	(68,969,747)	(42,553,244)
30.	Less treasury stock, at cost:				
30.1	.....0 shares common (value included in Line 24 \$.....0)	X X X	X X X		
30.2	.....0 shares preferred (value included in Line 25 \$.....0)	X X X	X X X		
31.	Total capital and surplus (Lines 23 to 29 minus Line 30)	X X X	X X X	19,913,932	24,061,114
32.	Total Liabilities, capital and surplus (Lines 22 and 31)	X X X	X X X	103,751,476	107,602,809
DETAILS OF WRITE-INS					
2101.	Bonus Incentive Due to Seller	1,275,723		1,275,723	
2102.	Accrued Premium Tax	2,732,815		2,732,815	2,048,900
2103.	Non Risk Payable	67,378		67,378	118,679
2198.	Summary of remaining write-ins for Line 21 from overflow page				1,208,518
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)	4,075,916		4,075,916	3,376,097
2301.	.....	X X X	X X X		
2302.	.....	X X X	X X X		
2303.	.....	X X X	X X X		
2398.	Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		
2801.	.....	X X X	X X X		
2802.	.....	X X X	X X X		
2803.	.....	X X X	X X X		
2898.	Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899.	TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date	Prior Year Ended December 31
		1 Uncovered	2 Total	3 Total	4 Total
1.	Member Months	X X X	554,298		1,642,504
2.	Net premium income (including \$.....0 non-health premium income)	X X X	127,616,939		382,864,891
3.	Change in unearned premium reserves and reserves for rate credits	X X X			
4.	Fee-for-service (net of \$.....0 medical expenses)	X X X			
5.	Risk revenue	X X X			
6.	Aggregate write-ins for other health care related revenues	X X X			
7.	Aggregate write-ins for other non-health revenues	X X X			
8.	Total revenues (Lines 2 to 7)	X X X	127,616,939		382,864,891
Hospital and Medical:					
9.	Hospital/medical benefits		95,534,582		243,319,790
10.	Other professional services		2,891,561		6,589,154
11.	Outside referrals				
12.	Emergency room and out-of-area		13,158,536		32,329,994
13.	Prescription drugs		124,501		194
14.	Aggregate write-ins for other hospital and medical		26,483,824		77,388,415
15.	Incentive pool, withhold adjustments and bonus amounts				
16.	Subtotal (Lines 9 to 15)		138,193,004		359,627,547
Less:					
17.	Net reinsurance recoveries		(120,767)		(1,147,753)
18.	Total hospital and medical (Lines 16 minus 17)		138,313,771		360,775,300
19.	Non-health claims (net)				
20.	Claims adjustment expenses, including \$.....2,771,497 cost containment expenses		4,607,667		10,471,572
21.	General administrative expenses		12,260,169	1,520,543	41,393,542
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)				
23.	Total underwriting deductions (Lines 18 through 22)		155,181,607	1,520,543	412,640,414
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(27,564,668)	(1,520,543)	(29,775,523)
25.	Net investment income earned		1,036,334	83,258	3,115,015
26.	Net realized capital gains (losses) less capital gains tax of \$.....0				18,956
27.	Net investment gains or (losses) (Lines 25 plus 26)		1,036,334	83,258	3,133,971
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]				
29.	Aggregate write-ins for other income or expenses				
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(26,528,334)	(1,437,285)	(26,641,552)
31.	Federal and foreign income taxes incurred	X X X			
32.	Net income (loss) (Lines 30 minus 31)	X X X	(26,528,334)	(1,437,285)	(26,641,552)
DETAILS OF WRITE-INS					
0601.	.....	X X X			
0602.	.....	X X X			
0603.	.....	X X X			
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X			
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X			
0701.	.....	X X X			
0702.	.....	X X X			
0703.	.....	X X X			
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X			
0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X			
1401.	Home Health Care, DME, Transportation, Etc.		26,483,824		77,388,415
1402.	.....			
1403.	.....			
1498.	Summary of remaining write-ins for Line 14 from overflow page				
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		26,483,824		77,388,415
2901.	.....			
2902.	.....			
2903.	.....			
2998.	Summary of remaining write-ins for Line 29 from overflow page				
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)				

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2	3
		Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT				
33.	Capital and surplus prior reporting year	24,061,114	(261,411)	(261,411)
34.	Net income or (loss) from Line 32	(26,528,334)	(1,437,285)	(26,641,552)
35.	Change in valuation basis of aggregate policy and claim reserves			
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0			
37.	Change in net unrealized foreign exchange capital gain or (loss)			
38.	Change in net deferred income tax			
39.	Change in nonadmitted assets	111,831		(15,650,281)
40.	Change in unauthorized reinsurance			
41.	Change in treasury stock			
42.	Change in surplus notes			
43.	Cumulative effect of changes in accounting principles			
44.	Capital Changes:			
44.1	Paid in		1,000	1,000
44.2	Transferred from surplus (Stock Dividend)			
44.3	Transferred to surplus			
45.	Surplus adjustments:			
45.1	Paid in	22,269,321	13,708,577	66,613,358
45.2	Transferred to capital (Stock Dividend)			
45.3	Transferred from capital			
46.	Dividends to stockholders			
47.	Aggregate write-ins for gains or (losses) in surplus			
48.	Net change in capital and surplus (Lines 34 to 47)	(4,147,182)	12,272,292	24,322,525
49.	Capital and surplus end of reporting period (Line 33 plus 48)	19,913,932	12,010,881	24,061,114
DETAILS OF WRITE-INS				
4701.	.....		
4702.	.....		
4703.	.....		
4798.	Summary of remaining write-ins for Line 47 from overflow page			
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)			

CASH FLOW

		1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations			
1.	Premiums collected net of reinsurance	123,534,368	374,286,125
2.	Net investment income	1,102,864	2,486,038
3.	Miscellaneous income		
4.	Total (Lines 1 to 3)	124,637,232	376,772,163
5.	Benefit and loss related payments	136,660,955	288,811,363
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	16,359,084	49,132,035
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)		
10.	Total (Lines 5 through 9)	153,020,039	337,943,398
11.	Net cash from operations (Line 4 minus Line 10)	(28,382,807)	38,828,765
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	6,500,000	11,000,000
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		
12.8	Total investment proceeds (Lines 12.1 to 12.7)	6,500,000	11,000,000
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	8,496,464	35,076,168
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications		18,956
13.7	Total investments acquired (Lines 13.1 to 13.6)	8,496,464	35,095,124
14.	Net increase (or decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14)	(1,996,464)	(24,095,124)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock	22,200,000	66,501,000
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	(1,585,200)	(10,420,715)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	20,614,800	56,080,285
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(9,764,471)	70,813,926
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	70,813,926	
19.2	End of period (Line 18 plus Line 19.1)	61,049,455	70,813,926

Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

Description		Amount 1	Amount 2
20.0001	Depreciation	425,232	536,955
20.0002	Non-cash Capital Contributions	69,321	113,358

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	186,629								186,629	
2. First Quarter	186,356							412	185,944	
3. Second Quarter										
4. Third Quarter										
5. Current Year										
6. Current Year Member Months	554,298							715	553,583	
Total Member Ambulatory Encounters for Period:										
7. Physician	226,048							149	225,899	
8. Non-Physician	153,321							32	153,289	
9. Total	379,369							181	379,188	
10. Hospital Patient Days Incurred	30,223							129	30,094	
11. Number of Inpatient Admissions	4,943							14	4,929	
12. Health Premiums Written (a)	127,616,939							988,359	126,628,580	
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	127,616,939							988,359	126,628,580	
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	136,510,781							140,478	136,370,303	
18. Amount Incurred for Provision of Health Care Services	138,193,004							900,041	137,292,963	

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.988,359.

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims						
1	2	3	4	5	6	7
Account	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 days	Over 120 Days	Total
0199999 Individually Listed Claims Unpaid						
0299999 Aggregate Accounts Not Individually Listed - Uncovered						
0399999 Aggregate Accounts Not Individually Listed - Covered	5,135,172	4,282,551	158,333			9,576,056
0499999 Subtotals	5,135,172	4,282,551	158,333			9,576,056
0599999 Unreported claims and other claim reserves						64,671,243
0699999 Total Amounts Withheld						
0799999 Total Claims Unpaid						74,247,299
0899999 Accrued Medical Incentive Pool And Bonus Amounts						

UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1+3)	6 Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec.31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital & medical)						
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare		140,589		759,563		
7. Title XIX - Medicaid	57,734,037	78,756,921	20,511,399	52,976,337	78,245,436	72,252,049
8. Other health						
9. Health subtotal (Lines 1 to 8)	57,734,037	78,897,510	20,511,399	53,735,900	78,245,436	72,252,049
10. Healthcare receivables (a)		601,138				288,112
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals	57,734,037	78,296,372	20,511,399	53,735,900	78,245,436	71,963,937

(a) Excludes \$.3,591,500 loans or advances to providers not yet expensed.

Notes to Financial Statement

1. Summary of Significant Accounting Policies

A. Accounting Practices

The Financial Statements of AMERIGROUP Tennessee, Inc. (the Company) is presented on the basis of accounting practices prescribed or permitted by the Tennessee Department of Commerce and Insurance.

The Tennessee Department of Commerce and Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Tennessee for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Tennessee Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual, version effective March 1, 2008 (NAIC SSAP) has been adopted as a component of prescribed or permitted practices by the state of Tennessee.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with the Statutory Accounting Principles requires management to make estimates and assumptions that affect the report amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

The Company records premium revenues based on its membership records and premiums rates for each membership category within each county. Premiums are due monthly and are recognized as revenue during the period in which the company is obligated to provide service to members.

In addition, the Company uses the following accounting policies.

- (1) Short-term investments are stated at amortized cost. Any Bonds not backed by other loans are stated at amortized cost using the interest method.
- (2) Unpaid Claims and loss adjustment expenses include an amount determined from individual case estimates and claim reports and an amount, based on past experience, for claims incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

2. Accounting Changes and Corrections of Errors

A. Disclosure for Insurers Upon Initial Implementation of Codification:

None

3. Business Combinations and Goodwill

No Change

4. Discontinued Operations

None

5. Investments

No Change

6. Joint Ventures, Partnerships and Limited Liability Companies

No Change

7. Investment Income

No Change

8. Derivative Instruments

No Change.

Notes to Financial Statement

9. Income Taxes

No Change

10. Information Concerning Parent, Subsidiaries and Affiliates

AMERIGROUP Corporation owns 100% of the outstanding shares of the Company and provides administrative and financial support services to the Company. Inter-company management fees are charged to the Company in accordance with a Management Services Agreement based on generally accepted accounting principles. As of March 31, 2008, the Company owed \$3,059,936 to AMERIGROUP Corporation. This amount was due to the difference between the estimated amount paid for Management fees to the parent and the final amount due. Also, as of March 31, 2008, the Company owed \$305,480 to AMERIGROUP Health Solutions, Inc. for disease management services.

11. Debt

The Company has no debt outstanding.

12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Postretirement Benefits Plans

No Change

13. Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations.

- (1) The Company has 1000 shares of common stock authorized and 1000 shares outstanding.
- (2) The Company has no preferred stock outstanding.

14. Contingencies

None

15. Leases

No Change

16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial with Concentrations of Credit Risk.

None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

None

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans.

No Change

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators.

None

20. Other Items

None

21. Events Subsequent

On April 22, 2008, AMERIGROUP Tennessee, Inc. was notified that it had not been awarded a contract to provide full-risk managed care services to TennCare recipients in West Tennessee. As a result, the existing administrative services only ("ASO") arrangement for the West Tennessee region will terminate on October 31, 2008 under its current terms with claims run-out and transition activities continuing into 2009. Unamortized identifiable intangible assets acquired as part of the November 1, 2007 acquisition of substantially all of the assets of MMCC totaling \$1,307 at March 31, 2008 will be amortized over the remaining life of the ASO arrangement and the related goodwill acquired of \$8,116 will be written-off in the second quarter of 2008. The impact of these known adjustments to existing balances for the year ended December 31, 2008 is estimated to be approximately \$0.09 per diluted share. Additional costs to discontinue operations in West Tennessee are not expected to be material.

Notes to Financial Statement

On March 10, 2008, AMERIGROUP DC was notified that it was one of four successful bidders in the reprocurement of the District of Columbia’s Medicaid managed care business for the contract period beginning May 1, 2008. On April 2, 2008, AMERIGROUP DC elected not to participate in the District’s new contract due to premium rate and programmatic concerns. The current contract with the District expires on April 30, 2008. AMERIGROUP DC and the District of Columbia entered into an agreement to extend the existing contract on substantially similar terms and premium rates through June 30, 2008. As a result of discontinuing operations in the DC market, the Company will write-off \$2,264 in acquired goodwill. The impact of this known adjustment to existing balances for the year ended December 31, 2008 is estimated to be approximately \$0.03 per diluted share. Additional costs to discontinue operations in the District of Columbia are not expected to be material and will be determined and recorded in the second quarter of 2008.

- 22. Reinsurance**

No Change.
- 23. Retrospectively Rated Contracts and Contracts Subject to Redetermination**

None
- 24. Change in Incurred Claims and Claim Adjustment Expenses**

No Change
- 25. Intercompany Pooling Arrangements**

None
- 26. Structured Settlements**

None
- 27. Health Care Receivables**

Health Care Receivables consist of provider advances that meet SSAP 84 and 64 provisions and ASO claims payment receivable from the state of Tennessee.
- 28. Participating Policies**

None
- 29. Premium Deficiency Reserves.**

None
- 30. Salvage and Subrogation**

None

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes[] No[X]
- 1.2 If yes, has the report been filed with the domiciliary state?

Yes[] No[] N/A[X]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:
3. Have there been any substantial changes in the organizational chart since the prior quarter end?
If yes, complete the Schedule Y - Part 1 - organizational chart.

Yes[] No[X]
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation.

Yes[] No[X] N/A[]
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).
- 6.4 By what department or departments?
- 6.5 Have any financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes[] No[] N/A[X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[] No[] N/A[X]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[] No[X]
- 7.2 If yes, give full information
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
		Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

Yes[X] No[]
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended?

Yes[] No[X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes[] No[X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[] No[X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ 0

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes[] No[X]
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$ 0
13. Amount of real estate and mortgages held in short-term investments:

\$ 0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes[] No[X]
- 14.2 If yes, please complete the following:

GENERAL INTERROGATORIES (Continued)

		1	2
		Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21	Bonds		
14.22	Preferred Stock		
14.23	Common Stock		
14.24	Short-Term Investments		
14.25	Mortgages Loans on Real Estate		
14.26	All Other		
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)		
14.28	Total Investment in Parent included in Lines 14.21 to 14.26 above		

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?
15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

Yes[] No[X]
Yes[] No[] N/A[X]

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, G - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?
16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

Yes[X] No[]

1	2
Name of Custodian(s)	Custodian Address
U.S. Bank	EX DC-WNWW, 1025 Connecticut Avenue, Suite 517, Washington, DC 20036

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)
.....

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?
16.4 If yes, give full and complete information relating thereto:

Yes[] No[X]

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
.....

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository	Name(s)	Address
.....

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?
17.2 If no, list exceptions:

Yes[X] No[]

SCHEDULE S - CEDED REINSURANCE
Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Location	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
			NONE			

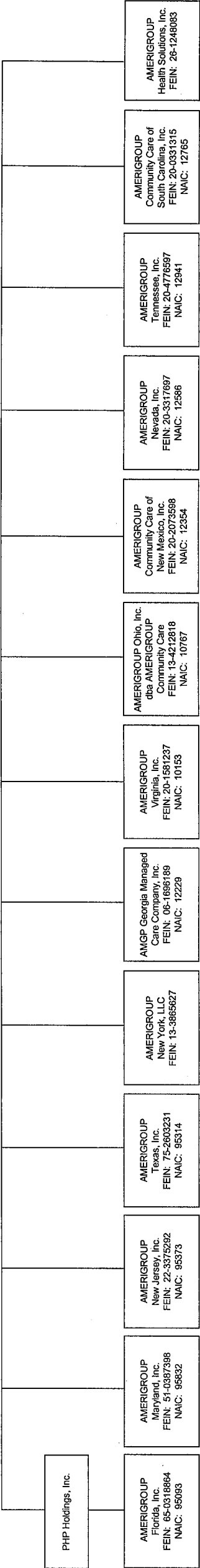
SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama (AL)	N								
2.	Alaska (AK)	N								
3.	Arizona (AZ)	N								
4.	Arkansas (AR)	N								
5.	California (CA)	N								
6.	Colorado (CO)	N								
7.	Connecticut (CT)	N								
8.	Delaware (DE)	N								
9.	District of Columbia (DC)	N								
10.	Florida (FL)	N								
11.	Georgia (GA)	N								
12.	Hawaii (HI)	N								
13.	Idaho (ID)	N								
14.	Illinois (IL)	N								
15.	Indiana (IN)	N								
16.	Iowa (IA)	N								
17.	Kansas (KS)	N								
18.	Kentucky (KY)	N								
19.	Louisiana (LA)	N								
20.	Maine (ME)	N								
21.	Maryland (MD)	N								
22.	Massachusetts (MA)	N								
23.	Michigan (MI)	N								
24.	Minnesota (MN)	N								
25.	Mississippi (MS)	N								
26.	Missouri (MO)	N								
27.	Montana (MT)	N								
28.	Nebraska (NE)	N								
29.	Nevada (NV)	N								
30.	New Hampshire (NH)	N								
31.	New Jersey (NJ)	N								
32.	New Mexico (NM)	N								
33.	New York (NY)	N								
34.	North Carolina (NC)	N								
35.	North Dakota (ND)	N								
36.	Ohio (OH)	N								
37.	Oklahoma (OK)	N								
38.	Oregon (OR)	N								
39.	Pennsylvania (PA)	N								
40.	Rhode Island (RI)	N								
41.	South Carolina (SC)	N								
42.	South Dakota (SD)	N								
43.	Tennessee (TN)	L		988,359	126,628,580				127,616,939	
44.	Texas (TX)	N								
45.	Utah (UT)	N								
46.	Vermont (VT)	N								
47.	Virginia (VA)	N								
48.	Washington (WA)	N								
49.	West Virginia (WV)	N								
50.	Wisconsin (WI)	N								
51.	Wyoming (WY)	N								
52.	American Samoa (AS)	N								
53.	Guam (GU)	N								
54.	Puerto Rico (PR)	N								
55.	U.S. Virgin Islands (VI)	N								
56.	Northern Mariana Islands (MP)	N								
57.	Canada (CN)	N								
58.	Aggregate other alien (OT)	X X X								
59.	Subtotal	X X X		988,359	126,628,580				127,616,939	
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	Total (Direct Business)	(a)..... 1		988,359	126,628,580				127,616,939	
DETAILS OF WRITE-INS										
5801.	.....	X X X								
5802.	.....	X X X								
5803.	.....	X X X								
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X								
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X								

(a) Insert the number of yes responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART
AMERIGROUP Corporation



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	RESPONSE
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	No

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



OVERFLOW PAGE FOR WRITE-INS

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
2104. Accrued Expenses 1,208,518
2197. Summary of remaining write-ins for Line 21 (Lines 2104 through 2196) 1,208,518

Real Estate

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year		
2.	Cost of acquired:		
2.1	Actual cost at time of acquisitions		
2.2	Additional investment made after acquisitions		
3.	Current year change in encumbrances		
4.	Total gain (loss) on disposals		
5.	Deduct amounts received on disposals		
6.	Total foreign exchange change in book/adjusted carrying		
7.	Deduct current year's other than temporary impairment recognized		
8.	Deduct current year's depreciation		
9.	Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10.	Deduct total nonadmitted amounts		
11.	Statement value at end of current period (Line 9 minus Line 10)		

SCHEDULE B - VERIFICATION

Mortgage Loans

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book value/recorded investment excluding accrued interest, December 31 of prior year		
2.	Cost of acquired:		
2.1	Actual cost at time of acquisitions		
2.2	Additional investment made after acquisitions		
3.	Capitalized deferred interest and other		
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease)		
6.	Total gain (loss) on disposals		
7.	Deduct amounts received on disposals		
8.	Deduct amortization of premium and mortgage interest po		
9.	Total foreign exchange change in book value/recorded investment excluding accrued interest		
10.	Deduct current year's other than temporary impairment recognized		
11.	Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8-9-10)		
12.	Deduct total nonadmitted amounts		
13.	Statement value at end of current period (Line 11 minus Line 12)		

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

		1	2
Description		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year		
2.	Cost of acquired:		
2.1	Actual cost at time of acquisitions		
2.2	Additional investment made after acquisitions		
3.	Capitalized deferred interest and other		
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease)		
6.	Total gain (loss) on disposals		
7.	Deduct amounts received on disposals		
8.	Deduct amortization of premium and depreciation		
9.	Total foreign exchange change in book/adjusted carrying value		
10.	Deduct current year's other than temporary impairment recognized		
11.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
12.	Deduct total nonadmitted amounts		
13.	Statement value at end of current period (Line 11 minus Line 12)		

SCHEDULE D - VERIFICATION

Bonds and Stocks

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value of bonds and stocks, December 31 of prior year	24,095,124	
2.	Cost of bonds and stocks acquired	8,495,100	35,068,872
3.	Accrual of discount	1,364	7,296
4.	Unrealized valuation increase (decrease)		
5.	Total gain (loss) on disposals		18,956
6.	Deduct consideration for bonds and stocks disposed of	6,500,000	11,000,000
7.	Deduct amortization of premium		
8.	Total foreign exchange change in book/adjusted carrying value		
9.	Deduct current year's other than temporary impairment recognized		
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	26,091,588	24,095,124
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	26,091,588	24,095,124

SCHEDULE D - PART 1B
Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	89,965,117	131,032,101	147,505,702	46,367	73,537,883			89,965,117
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	89,965,117	131,032,101	147,505,702	46,367	73,537,883			89,965,117
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	89,965,117	131,032,101	147,505,702	46,367	73,537,883			89,965,117

Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....40,856,162; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0

SCHEDULE DA - PART 1
Short - Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
8299999. Totals	47,446,296	X X X	47,446,296	649,763	8,622

SCHEDULE DA - Verification
Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	65,869,994	
2. Cost of short-term investments acquired	122,537,001	414,215,641
3. Accrual of discount	45,003	
4. Unrealized valuation increase (decrease)		129,079
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	141,005,702	348,474,726
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	47,446,296	65,869,994
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	47,446,296	65,869,994

SI04	Schedule DB Part F Section 1	NONE
SI05	Schedule DB Part F Section 2	NONE
SI06	Schedule E - Verification (Cash Equivalents)	NONE
E01	Schedule A Part 2	NONE
E01	Schedule A Part 3	NONE
E02	Schedule B Part 2	NONE
E02	Schedule B Part 3	NONE
E03	Schedule BA Part 2	NONE
E03	Schedule BA Part 3	NONE

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments									
31331YLG3	Federal Farm Credit Bank		01/02/2008	UBS	XXX	2,997,600	3,000,000.00		1
31331YLT5	Federal Farm Credit Bank		01/03/2008	UBS	XXX	3,000,000	3,000,000.00		1
31398AMX7	Federal National Mortgage Assoc.		02/21/2008	UBS	XXX	2,497,500	2,500,000.00	417	1
0399999 Subtotal - Bonds - U.S. Governments					XXX	8,495,100	8,500,000.00	417	XXX
6099997 Subtotal - Bonds - Part 3					XXX	8,495,100	8,500,000.00	417	XXX
6099998 Summary Item from Part 5 for Bonds (N/A to Quarterly)					XXX	XXX	XXX	XXX	XXX
6099999 Subtotal - Bonds					XXX	8,495,100	8,500,000.00	417	XXX
6599998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)					XXX	XXX	XXX	XXX	XXX
7299998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)					XXX	XXX	XXX	XXX	XXX
7399999 Subtotal - Preferred and Common Stocks					XXX	XXX	XXX	XXX	XXX
7499999 Total - Bonds, Preferred and Common Stocks					XXX	8,495,100	XXX	417	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stocks Sold, Redeemed, or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										11	12	13	14	15								
CUSIP Identification	Description	Fig	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B/A C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)	
Bonds - U.S. Governments																						
3133XINS8	Federal Home Loan Bank	...	01/18/2008	CALLED @ 100.00000000	XXX	2,000,000	2,000,000.00	2,000,000	2,000,000	...	...	...	...	...	2,000,000	...	...	...	53,000	07/18/2008	1	...
3128X6GY6	Federal Home Loan Mortgage Corp.	...	01/23/2008	CALLED @ 100.00000000	XXX	2,000,000	2,000,000.00	2,000,000	2,000,000	...	...	...	...	...	2,000,000	...	...	...	53,500	01/23/2009	1	...
3128X6HM1	Federal Home Loan Mortgage Corp.	...	01/30/2008	CALLED @ 100.00000000	XXX	2,500,000	2,500,000.00	2,500,000	2,500,000	...	...	...	...	...	2,500,000	...	...	...	70,625	07/30/2012	1	...
0399999 Subtotal	Bonds - U.S. Governments	...	...	...	XXX	6,500,000	6,500,000.00	6,500,000	6,500,000	...	...	...	...	...	6,500,000	...	...	...	177,125	XXX	XXX	...
6099997 Subtotal	Bonds - Part 4	...	...	...	XXX	6,500,000	6,500,000.00	6,500,000	6,500,000	...	...	...	...	...	6,500,000	...	...	...	177,125	XXX	XXX	...
6099998 Summary	Item from Part 5 for Bonds (N/A to Quarterly)	...	...	...	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	...
6099999 Subtotal	Bonds	...	...	...	XXX	6,500,000	6,500,000.00	6,500,000	6,500,000	...	...	...	...	...	6,500,000	...	...	...	177,125	XXX	XXX	...
6599998 Summary	Item from Part 5 for Preferred Stocks (N/A to Quarterly)	...	...	...	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	...
7299998 Summary	Item from Part 5 for Common Stocks (N/A to Quarterly)	...	...	...	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	...
7399999 Subtotal	Preferred and Common Stocks	...	...	...	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	...
7499999 Total	Bonds, Preferred and Common Stocks	...	...	...	XXX	6,500,000	XXX	6,500,000	6,500,000	...	...	...	...	...	6,500,000	...	...	...	177,125	XXX	XXX	...

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

E06 Schedule DB Part A Section 1 NONE

E06 Schedule DB Part B Section 1 NONE

E07 Schedule DB Part C Section 1 NONE

E07 Schedule DB Part D Section 1 NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances										
1			2	3	4	5	Book Balance at End of Each Month			9
							During Current Quarter			
Depository			Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6	7	8	*
							First Month	Second Month	Third Month	
open depositories										
Wachovia						65,842	(6,179,725)	(2,932,204)	13,602,705	X X X X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories			X X X	X X X ..		20			454	X X X
0199999 Totals - Open Depositories			X X X	X X X ..		65,862	(6,179,725)	(2,932,204)	13,603,159	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories										
			X X X	X X X ..						X X X
0299999 Totals - Suspended Depositories			X X X	X X X ..						X X X
0399999 Total Cash On Deposit			X X X	X X X ..		65,862	(6,179,725)	(2,932,204)	13,603,159	X X X
0499999 Cash in Company's Office			X X X	X X X ..	X X X ..	X X X ..				X X X
0599999 Total Cash			X X X	X X X ..		65,862	(6,179,725)	(2,932,204)	13,603,159	X X X

E09 Schedule E Part 2 Cash Equivalents NONE

Supp1 Medicare Part D Coverage Supplement NONE

ACT Actuarial Statement NONE

AEP Amended Explanation NONE

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QUARTERLY DISKETTE TRANSMITTAL FORM AND CERTIFICATION
 (HEALTH)

Name of Insurer
 AMERIGROUP Tennessee, Inc.

Date
 06/01/2008
 FEIN
 20-4776597

NAIC Group #
 1156
 NAIC Company #
 12941

THIS FORM IS REQUIRED FOR ALL DISKETTE TRANSMITTALS. PLEASE PROVIDE ANY ADDITIONAL COMMENTS THAT MAY
 HELP TO IDENTIFY DISKETTE CONTENT.

	QTR. 1	QTR. 2	QTR. 3
A01. Is this the first time you've submitted this filing? (Y/N) .....	..... Yes .....	..... N/A .....	..... N/A
A02. Is this being re-filed at the request of the NAIC or a state insurance department? (Y/N) .	..... N/A .....	..... N/A .....	..... N/A
A03. Is this being re-filed due to changes to the data originally filed? (Y/N) .....	..... N/A .....	..... N/A .....	..... N/A
A04. Other? (Y/N) .....	..... N/A .....	..... N/A .....	..... N/A
(If "yes" attach an explanation.)			

- B. Additional comments if necessary for clarification:
- C. Diskette Contact Person: Margaret Mary Roomsburg
 Phone: (757)473-2721-
 Address: 4425 Corporation Lane, Virginia Beach, VA 23462
- D. Software Vendor: SunGard iWORKS, LLC
 Version: 2008.Q.1
- E. Have material validation failures been addressed in the explanation file? Yes[X] No[]
- F. The undersigned hereby certifies, according to the best of his/her knowledge and belief: that the diskettes submitted with this form were prepared in compliance with the NAIC specifications, that the diskettes have been tested against the validations included with these specifications, and that quarterly statement information required to be contained on diskette is identical to the information in the 2008 Quarterly Statement blank filed with the insurer's domiciliary state insurance department. In addition, the diskettes have been scanned through a virus detection software package, and no viruses are present on the diskettes. The virus detection software used was (name): McAfee VirusScan Enterprise

(version number): 8.0.0

(Signed)
 

Type Name and Title: Margaret Mary Roomsburg, Vice President

AMERIGROUP Tennessee, Inc.
Report 2A - TennCare Income Statement
Middle Tennessee CRA 2.30.14.3.3 and 2.30.14.3.4

	Current Period	Year-To-Date Total	Previous Year Total
Member Months	553,583	553,583	1,650,504
Revenues:			
TennCare Capitation	126,628,580	126,628,580	384,864,891
Investment	1,036,554	1,036,554	3,133,750
Other Revenues	-	-	-
Total Estimated Revenues	127,665,134	127,665,134	387,998,642
Expenses:			
Hospital and Medical (w/o Mental Health)			
Capitated Physician Services	127,131	127,131	610,660
Fee-for Service Physician Services	47,253,541	47,253,541	147,415,840
Inpatient Hospital Services	44,815,085	44,815,085	86,360,108
Outpatient Hospital Services	10,755,364	10,755,364	27,174,358
Emergency Room Services	7,642,189	7,642,189	18,144,107
Dental Services	-	-	-
Vision Services	436,496	436,496	1,142,456
Pharmacy Services	-	-	-
Home Health Services	-	-	-
Chiropractic Services	-	-	-
Radiology Services	1,932,524	1,932,524	8,611,837
Laboratory Services	1,424,853	1,424,853	5,866,717
Durable Medical Equipment Services	921,707	921,707	2,771,355
Transportation Services	3,840,501	3,840,501	13,920,008
Outside Referrals	-	-	-
Medical Incentive Pool and Withhold Adj	-	-	-
Occupancy, Depreciation and Amortization	-	-	-
Other Medical and Hospital Services - Write-Ins	-	-	-
Subtotal Medical and Hospital	119,149,392	119,149,392	312,017,445
Mental Health and Substance Abuse Services			
Inpatient Psychiatric Facility Services	4,353,680	4,353,680	7,277,088
Inpatient Substance Abuse Treatment and Detox	638,071	638,071	1,134,599
Outpatient Mental Health Services	1,727,784	1,727,784	10,203,385
Outpatient Substance Abuse Treatment and Detox	536,661	536,661	1,104,385
Housing/Residential Treatment	518,789	518,789	1,366,760
Specialized Crisis Services	14,313	14,313	49,935
Psychiatric Rehab and Support Services	10,367,663	10,367,663	25,861,080
Case Management	(39,249)	(39,249)	483,154
Forensics	-	-	-
Other Judicial	-	-	-
Pharmacy	-	-	-
Lab Services	-	-	-
Transportation	25,858	25,858	129,716
Medical Incentive Pool and Withhold Adjustments	-	-	-
Occupancy, Depreciation and Amortization	-	-	-
Other Mental Health and Substance Abuse Services	-	-	-
PCP and Specialist Services	-	-	-
Other Mental Health Services - Write-Ins	-	-	-
Subtotal MH&SAS	18,143,570	18,143,570	47,610,099
Subtotal Hospital, Medical, MH&SAS	137,292,962	137,292,962	359,627,545
LESS:			
Net Reinsurance Recoveries Incurred	(120,656)	(120,656)	(1,147,754)
Copayments	-	-	-
Subrogation and Corrdination of Benefits	-	-	-
Subtotal Reinsurance, Copay, Subrogation	(120,656)	(120,656)	(1,147,754)
Total Hospital, Medical, MHS&S	137,413,618	137,413,618	360,775,298
Administration:			
Compensation	4,699,021	4,699,021	14,188,815
Marketing	47,659	47,659	137,955
Interest Expense	0	-	-
Premium Tax Expense	2,532,572	2,532,572	7,697,298
Occupancy, Depreciation, and Amortization	208,346	208,346	408,640
Other Administration - Write-Ins	10,470,647	10,470,647	30,365,526
Total Administration Expenses	17,958,245	17,958,245	52,798,234
Total Expenses	155,371,863	155,371,863	413,573,532
Extraordinary Item	-	-	-
Provision for Income Tax	-	-	-
Net Income (Loss)	(27,706,729)	(27,706,729)	(25,574,890)
Write-Ins for Other Expense			
Detail of Other Medical and Hospital:			
	-	-	-
	-	-	-
	-	-	-
Total Other Medical and Hospital	-	-	-
Detail of Other MH and SAS:			
	-	-	-
	-	-	-
	-	-	-
Total Other MH and SAS	-	-	-
Detail of Other Administration:			
Purch Svc Accts	218,699	218,699	964,475
Rent Expenses	151,448	151,448	426,668
Telephone Expenses	106,986	106,986	400,803
Miscellaneous Expenses	268,836	268,836	915,448
Postage and Delivery	153,298	153,298	435,593
Printing and Reproduction	292,437	292,437	339,184
Travel and Entertainment Exp	90,029	90,029	293,026
Recruitment Expenses	91,784	91,784	612,678
Management Fee-Ind	8,901,707	8,901,707	25,461,567
Other Administration < \$240,000 YTD	195,424	195,424	516,085
Total Other Administration	10,470,647	10,470,647	30,365,526

AMERIGROUP Tennessee, Inc.
Report 2A - TennCare Income Statement
Grand Region West Tennessee CRA 2.30.14.3.3 and 2.30.14.3.4

	Current Period	Year-To-Date Total	Previous Year Total
Member Months	503,606	503,606	337,816
Revenues:			
TennCare Capitation	134,851,830	134,851,830	87,277,680
Investment	(220)	(220)	220
Other Revenues	-	-	-
Total Estimated Revenues	134,851,610	134,851,610	87,277,900
Expenses:			
Hospital and Medical (w/o Mental Health)			
Capitated Physician Services	1,792,826	1,792,826	1,153,653
Fee for Service Physician Services	13,413,527	13,413,527	7,178,058
Inpatient Hospital Services	17,982,032	17,982,032	8,997,282
Outpatient Services	967,320	967,320	2,319,275
Emergency Room Services	7,910,258	7,910,258	4,650,891
Mental Health Services	7,606	7,606	3,785
Dental Services	61,536	61,536	43,838
Vision Services	669,510	669,510	447,965
Pharmacy Services	-	-	-
Home Health Services	2,989,797	2,989,797	1,529,629
Chiropractic Services	-	-	-
Radiology Services	4,532,499	4,532,499	2,993,082
Laboratory Services	2,450,160	2,450,160	1,677,050
Durable Medical Equipment Services	88,177	88,177	75,209
Transportation Services	286,462	286,462	243,067
Outside Referrals	-	-	-
Medical incentive Pool and Withhold Adjustments	-	-	-
Occupancy Depreciation and Amortization	-	-	-
Other Medical and Hospital Services	36,069,560	36,069,560	16,572,049
IBNR	37,941,996	37,941,996	34,485,394
Subtotal Medical and Hospital	127,163,264	127,163,264	82,370,225
LESS:			
Net Reinsurance Recoveries Incurred	-	-	-
Copayments	-	-	-
Subrogation and Corrdination of Benefits	-	-	-
Subtotal Reinsurance, Copay, Subrogation	-	-	-
Total Hospital, Medical, MHS&S	127,163,264	127,163,264	82,370,225
Administation:			
Compensation	2,610,869	2,610,869	1,732,402
Marketing	3,900	3,900	10,975
Interest Expense	-	-	-
Premium Tax Expense	1,922,276	1,922,276	1,039,462
Occupancy, Depreciation, and Amortization	216,886	216,886	216,500
Other Administration - Write-Ins	1,443,575	1,443,575	974,996
Total Administration Expenses	6,197,506	6,197,506	3,974,335
Total Expenses	133,360,770	133,360,770	86,344,560
Extraordinary Item	-	-	-
Provision for Income Tax	-	-	-
Net Income (Loss)	1,490,840	1,490,840	933,340

AMERIGROUP Tennessee, Inc.-Grand Region Middle
Cash Reconciliation-Middle Region-Medicaid only
March 31, 2008

Month Received	Cash	Recorded	rate cell before accrual	Ten percent	90% collected	10% collected	Liquidated Damages	ASO Claims	ASO fees	Cash difference	Premium receivable
	Cash P2, C3, L5 IA	Premium P4, C2, L2					Admin Exp P4, C2, L21	Not Reported	Premium P4, C2, L2		Prem Rec P2, C3, L13.1
Beginning Balance (Prem. Rec)											\$ 8,578,765.65
January	38,187,482.70	42,330,569.66	42,330,569.65	4,233,056.97	38,097,512.69			89,852.01	118.00	\$ 0.01	4,233,056.97
February	41,566,456.92	41,469,916.91	41,469,916.91	4,146,991.69	37,322,925.22	4,265,231.70	(21,700.00)			\$ 0.00	(118,240.01)
March	42,799,838.79	42,828,093.51	42,828,093.51	4,282,809.35	38,545,284.16	4,315,054.63	(60,500.00)			\$ (0.00)	(32,245.29)
				-	-					\$ -	-
				-	-					\$ -	-
				-	-					\$ -	-
				-	-					\$ -	-
				-	-					\$ -	-
March accrual				-	-					\$ -	-
Total	\$ 122,553,778.41	\$ 126,628,580.08	\$ 126,628,580.07	\$ 12,662,858.00	\$ 113,965,722.07	\$ 8,580,286.33	\$ (82,200.00)	\$ 89,852.01	\$ 118.00	\$ 0.00	\$ 12,661,337.33

Reconciliation\$ 12,661,337.33

Cash collected	\$ 122,553,778.41
Premium earned	126,628,580.08
Difference	\$ (4,074,801.67)

Premium Receivable	\$ 12,661,337.33
Less:	
Beginning Balance	\$ 8,578,765.65
Liquidated Damages	(82,200.00)
ASO Claims	89,852.01
ASO fees	118.00
	8,586,535.66
Difference	\$ (4,074,801.67)

Cash that should be included on premium tax return	
Medicaid Premiums	126,628,580.08
Change in Premium Receivable	(4,082,571.68)
ASO Claims	89,852.01
ASO fees	118.00
	122,635,978.41
cash collected	122,553,778.41
add back liquidated damages	\$ 82,200.00
	122,635,978.41
	0.00

AMERIGROUP Tennessee, Inc.-Grand Region West
Cash Reconciliation
March 31, 2008

Date Received	Cash	Recorded	Liquidated Damages	Weekly Claims Run	Manual Checks	Capitation Payment	Refund Checks	Case Management	Premium Taxes	Voided Checks	Voided Invoice	Other A/R	Interest to state	Cash difference	Premium receivable
	Cash P2, C3, L5 IA	Premium P4, C2, L2	Admin Exp P4, C2, L21	Not Reported	Not Reported	Not Reported	Not Reported	Not Reported	Not Reported	Not Reported	Not Reported	Not Reported			Prem Rec P2, C3, L13.1
January 4, 2008	3,850,556.10			4,021,526.86			(170,970.76)							-	-
January 7, 2008	1,180,045.63			1,180,045.63										-	-
January 8, 2008	1,932,859.93	1,932,859.93												-	-
January 16, 2008	9,450,840.20			7,949,595.14	15,666.37	576,550.93		97,219.33	825,719.91				(13,911.48)	-	-
January 24, 2008	9,558,470.78			9,654,741.80	121,047.42		(217,318.44)							-	-
January 30, 2008	6,684,231.97			6,668,222.50	16,009.47									-	-
February 6, 2008	3,181,499.76	1,905,777.24										1,275,722.52		-	-
February 7, 2008	10,066,522.46			9,937,104.46	129,418.00									-	-
February 13, 2008	7,065,214.08			6,411,944.64	67,029.60	586,239.84								-	-
February 21, 2008	6,232,566.22			6,065,134.27	33,552.23	25,413.85		112,386.39		(3,920.52)				-	-
February 27, 2008	5,902,233.82			5,713,461.02	188,772.80									-	-
March 5, 2008	10,784,033.32			6,354,692.71	3,397,984.92				1,039,461.93	(8,047.84)	(58.40)			-	-
March 11, 2008	1,920,752.74	1,927,652.74	(6,900.00)											-	-
March 12, 2008	6,527,577.18			6,125,499.86	7,751.68	604,621.49	(281,654.85)	102,204.22					(30,845.22)	-	-
March 19, 2008	6,188,359.36			6,187,489.36	870.00									-	-
March 26, 2008	5,536,380.50			5,532,518.36	3,862.14									-	-
Total	\$ 96,062,144.05	\$ 5,766,289.91	\$ (6,900.00)	\$ 81,801,976.61	\$ 3,981,964.63	\$ 1,792,826.11	\$ (669,944.05)	\$ 311,809.94	\$ 1,865,181.84	\$ (11,968.36)	\$ (58.40)	\$ 1,275,722.52	\$ (44,756.70)	\$ -	\$ -

Cash that should be included on premium tax return	
Cash collected	\$ 96,062,144.05
add LD's	6,900.00
interest remitted	44,756.70
	<u>\$ 96,113,800.75</u>

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 -90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
0199999 Total individuals						
0299998 Premium due and unpaid not individually listed						
0299999 Total group						
0399999 Premium due and unpaid from Medicare entities.....						
0499999 Premium due and unpaid from Medicaid entities.....	4,282,809	4,146,992	4,231,536	0		12,661,337
0599999 Accident and health premiums due and unpaid (Page 2, Line 13)	4,282,809	4,146,992	4,231,536	0		12,661,337

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 -90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
0199998 Pharmaceutical Rebate Receivables - Not Individually Listed						
0199999 Subtotal - Pharmaceutical Rebate Receivables						
0299998 Claim Overpayment Receivables - Not Individually Listed	557,763				557,763	-
0299999 Subtotal - Claim Overpayment Receivables	557,763				557,763	-
0399998 Loans and Advances to Providers - Not Individually Listed	3,591,500				1,051,500	2,540,000
0399999 Subtotal - Loans and Advances to Providers	3,591,500				1,051,500	2,540,000
0499998 Capitation Arrangements Receivables - Not Individually Listed						
0499999 Subtotal - Capitation Arrangements Receivables.....						
0599998 Risk Sharing Receivables - Not Individually Listed						
0599999 Subtotal - Risk Sharing Receivables						
0699998 Other Receivables - Not Individually Listed	43,375					43,375
0699999 Subtotal - Other Receivables	43,375					43,375
0799999 Gross health care receivables	4,192,638				1,609,263	2,583,375

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5	6	Admitted	
						7	8
Name of Debtor	1 - 30 Days	NONE		Over 90 Days	Nonadmitted	Current	Non-Current
0299999 Receivables not individually listed							
0399999 Total gross amounts receivable							